


County taps Lovely to help solve pending financial crisis

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Sullivan County has pinned its hopes of a financially secure future on a person with three decades of experience in

 **Newport** county government.

Deputy county treasurer Peter Lovely plans to meet with the commissioners and hammer out a plan to bring the county back from the brink of financial disaster.

According to county treasurer Cynthia Sweeney, the county will be broke by February, and by the middle of next year she anticipates that banks will stop lending money to keep the county afloat.

"From my calculations, we have about enough money to carry us through six weeks," Sweeney said during a commissioner's meeting Tuesday. "I predict I will need to borrow \$8.5 million to get us through to June."

Sweeney said that the county will only receive about \$10 million in tax revenue to pay what she anticipates is needed, leaving less than \$2 million to pay county bills for the second half of the current fiscal year.

"How will I get from July to December next year?" Sweeney asked. "There won't be any money and no bank is going to lend us the money. You know what folks, we don't have any money."

Lovely, who was the treasurer from 1974 to 2004, does not see as bleak a picture as Sweeney.

"This is manageable," Lovely said. "But it will take a little teamwork."

During the meeting, Frank Byron and Cheryl Burke from the auditing firm Melanson and Heath presented the final audit for fiscal 2007 stating the county had an overall deficit of \$2.2 million.

"The county records were actually in good shape," Byron said. "The results of the audit were not so good, having a deficit."

Byron suggested in his management letter to the commission that it establish a fiscal recovery plan

See **COUNTY** - Page A5

COUNTY FROM PAGE A1

and give close attention to nursing home operations.

"The bottom line is more was spent than was appropriated for the nursing home," Byron said.

As part of closing out the 2007 audit, the commissioners approved attaching the \$2.2 million deficit to the fiscal 2009 budget. But Byron was concerned that in the current fiscal

year the county will see another deficit.

"There is going to be a cash shortfall," Byron said. "We need some assurance the bank will provide a line of credit to get you through to June."

Commissioner Jeff Barrette said he does not anticipate any problems with borrowing money to get the county through to the end of the fiscal

year and said any budget shortfall will also be added to the 2009 budget.

"I know that we have not met expectations so far this year," Barrette said. "My hope is that we will not have a deficit at the end of the year."

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